

## Economic Feasibility Study (EFS) Criteria-Is an EFS required?

<b>Acceptance of Funds by State Agencies:</b>		
To comply with RCW 43.41.180, an EFS is generally required to be submitted to the Office of Financial Management (OFM) for approval when payments are proposed to be received by electronic and other technological means. An EFS is required to be submitted to OFM for approval prior to implementation for both pilot and permanent projects. An EFS is not required in cases where only information is proposed to be received or in cases where other specific circumstances exist. <i>State Administrative and Accounting Manual (SAAM)</i> section 40.20 discusses acceptance of electronic funds by state agencies in more detail. General guidance for EFS requirements for certain types of payments is offered below:		
<b>Payment/ Information Type</b>	<b>EFS Required? *</b>	<b>Notes</b>
Bill Presentment	No	<ul style="list-style-type: none"> <li>Involves electronic presentment of information (no payment involved). No EFS is necessary.</li> </ul>
Credit Cards, Debit Cards, Smart Cards, Stored Value Cards, etc.	Yes	<ul style="list-style-type: none"> <li>An EFS is required for all new applications (including both pilot and permanent projects).</li> <li>An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and the Office of the State Treasurer (OST) to determine if an EFS is needed for an expansion.</li> </ul>
Electronic Checks and Internet Checks	Yes	<ul style="list-style-type: none"> <li>An EFS is required for all new applications (including both pilot and permanent projects).</li> <li>An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.</li> </ul>
Electronic Funds Transfers (EFT)	Depends on circumstances	<ul style="list-style-type: none"> <li>An EFS may not be required for acceptance of EFTs through the Automated Clearing House (ACH) Network into treasury and/or treasury trust accounts depending upon the volume and type of receipt. Contact OFM and OST to determine if an EFS is required.</li> <li>An EFS also may not be required when there are minimal implementation costs or staff time involved.</li> </ul>
Electronic Wires	No	<ul style="list-style-type: none"> <li>Because these are usually needed immediately and singular in nature, they do not require an EFS.</li> <li>However, the agency must work with OST to ensure that there is not a less expensive alternative available.</li> </ul>

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<b>Payment/ Information Type</b>	<b>EFS Required? *</b>	<b>Notes</b>
Inter-Agency Payments (IAP) and Interfund Payments (IFT)	No	<ul style="list-style-type: none"><li>This is considered to be a variation on the existing Journal Voucher (JV) process, and is not considered a new payment type, so no EFS is necessary.</li></ul>
Lock Boxes	Depends on circumstances	<ul style="list-style-type: none"><li>Lock boxes often involve an electronic transfer of funds component. Contact OFM and OST to determine if an EFS is required. (OST negotiates lock box contracts. Refer to SAAM Chapter 65.)</li></ul>
Remittance Advices	No	<ul style="list-style-type: none"><li>Involves electronic presentment of information (no payment involved). No EFS is necessary.</li></ul>
State Purchase Cards	N/A	<ul style="list-style-type: none"><li>Agencies may not accept state purchase cards as a form of payment from other state agencies.</li></ul>

\*Note: An EFS is not deemed necessary in cases where either state or federal statute mandates or allows acceptance of payments via a specific electronic payment type, such as Department of Revenue (DOR) tax payments via electronic funds transfer (EFT) per RCW 82.32.080, and Liquor Control Board (LCB) retail liquor sales via credit cards and debit cards per RCW 66.16.041.

**Disbursement of Funds by State Agencies:**

SAAM 85.36.10 says that, "Agency disbursement processes should minimize the cost of making disbursements by using the most cost effective means available." When the payment is proposed to be by electronic or other technological means, an EFS is required to be submitted to OFM for approval. The EFS is required to be submitted for approval prior to implementation for both pilot and permanent projects. SAAM section 40.30 discusses disbursement of electronic funds by state agencies in more detail. General guidance for EFS requirements for certain types of payments is offered below:

<b>Payment/ Information Type</b>	<b>EFS Required? *</b>	<b>Notes</b>
Electronic Benefit Transfers (EBT)	Yes	<ul style="list-style-type: none"><li>• An EFS is required for all new applications (including both pilot and permanent projects).</li><li>• An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM to determine if an EFS is needed for an expansion.</li></ul>
Electronic Checks and Internet Checks	Yes	<ul style="list-style-type: none"><li>• An EFS is required for all new applications (including both pilot and permanent projects).</li><li>• An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.</li></ul>
Electronic Funds Transfers (EFT)	Depends on circumstances	<ul style="list-style-type: none"><li>• Generally, an EFS is not required for disbursement of EFTs via the ACH network through the Agency Financial Reporting System (AFRS) for treasury and treasury trust funds.</li><li>• An EFS is required when the agency is initiating the ACH file.</li><li>• Contact OFM and OST to determine if an EFS is required.</li></ul>
Electronic Wire	No	<ul style="list-style-type: none"><li>• Because these are usually needed immediately and singular in nature, they do not require an EFS.</li><li>• However, the agency must work with OST to ensure that there is not a less expensive alternative available.</li></ul>
Remittance Advices and Employee Earnings Statements	No	<ul style="list-style-type: none"><li>• Involves electronic presentment of information. No EFS is necessary.</li></ul>
Inter-Agency Payments (IAP) and Interfund Transactions (IFT)	No	<ul style="list-style-type: none"><li>• This is considered to be a variation on the existing Journal Voucher (JV) process, and is not considered a new payment type, so no EFS is necessary.</li></ul>

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<b>Payment/ Information Type</b>	<b>EFS Required? *</b>	<b>Notes</b>
Inserted Warrant	No	<ul style="list-style-type: none"><li>• This is considered an alternate method of distributing payments generated via an existing process. No EFS is necessary.</li></ul>
Open Accounts	No	<ul style="list-style-type: none"><li>• These are purchasing arrangements with individual vendors to provide for small purchases during the month. These accounts are set up for identification purposes and are considered to be a normal business practice. Since no electronic payment component is involved, no EFS is necessary.</li></ul>
Smart Cards, Stored Value Cards, Pay Cards, etc.	Yes	<ul style="list-style-type: none"><li>• An EFS is required for all new applications (including both pilot and permanent projects).</li><li>• An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.</li></ul>
State Purchase Cards, State Travel Cards, and State Fuel Cards	No	<ul style="list-style-type: none"><li>• These cards must be used in accordance with terms of the General Administration (GA) negotiated contract. No EFS is necessary. May not be used to pay another state agency.</li></ul>
Non-State Fuel Cards	Yes	<ul style="list-style-type: none"><li>• These include fuel cards obtained directly from gas stations for client use (including both prepaid and non-prepaid cards). These are considered an electronic method of payment, so an EFS is required.</li></ul>

\* Note: An EFS is not deemed necessary in cases where either state or federal statute mandates or allows disbursement of payments via a specific electronic payment type, such as Department of Social and Health Services (DSHS) food stamps via an electronic benefit transfer system, which was federally mandated by The Personal Responsibility and Work Opportunities Reconciliation Act of 1996.